

Matsui Introduces Legislation to Help Low-Income Americans Subscribe to the Internet

Today, Representative Doris O. Matsui (CA-05), a Member of the Energy and Commerce Subcommittee on Communications, Technology, and the Internet, introduced legislation to expand the Universal Service Fund's (USF) Lifeline Assistance program for universal broadband adoption. The bill, the Broadband Affordability Act of 2009, directs the Federal Communications Commission (FCC) to establish a broadband program that provides low-income Americans living in rural and urban areas with assistance in subscribing to affordable broadband internet service.

FOR IMMEDIATE RELEASE

September 24, 2009

CONTACT: Mara Lee

(202) 225-7163

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Proposal Will Help Bridge the Digital Divide for Millions of Americans

WASHINGTON, DC - Today, Representative Doris O. Matsui (CA-05), a Member of the Energy and Commerce Subcommittee on Communications, Technology, and the Internet, introduced legislation to expand the Universal Service Fund's (USF) Lifeline Assistance program for universal broadband adoption. The bill, the Broadband Affordability Act of 2009, directs the Federal Communications Commission (FCC) to establish a broadband program that provides low-income Americans living in rural and urban areas with assistance in subscribing to affordable broadband internet service.

"To fully close the digital divide we must address the affordability of broadband services for lower-income households. Although these households may have some options for broadband access, they are underserved if none of these options are affordable," said Congresswoman Matsui.

In California, an estimated 96 percent of California residences have access to broadband. However, barely more than half of Californians have adopted broadband at home. In most cases, adoption rates are associated with income as seen in recent data from the Public Policy Institute of California, which show that only 58 percent of Californians earning under \$40,000 a year subscribed to dial-up or broadband at home. In contrast, 97 percent of those earning \$80,000 or more a year subscribed to one of these services.

"It is clear that millions of Americans cannot afford broadband services," Matsui expressed. "In today's economic climate, more and more hardworking Americans simply cannot afford to pay up to \$60 a month

for broadband services. At a time when consumers need the internet more than ever to seek employment assistance, education, health care, and to manage their finances, the internet plays a vital role in our economy.”

Current California Lifeline enrollment is 2,079,385 households. 24,538 of those are Rep. Matsui’s Sacramento, California district. Under Matsui’s Broadband Affordability Act, each of these households would be eligible to participate in any newly-created broadband lifeline assistance program to receive discounted broadband services.

The Broadband Affordability Act is intended to model the assistance provided for basic telephone service under the FCC’s current Lifeline Assistance program, which is designed to ensure that quality telecommunications services are available to low-income customers at just, reasonable, and affordable rates. Rep. Matsui’s proposal would expand the USF Lifeline Assistance program to allow USF funds to be used to offer discounted internet service to lower-income consumers residing in urban and rural areas. Lifeline customers would simply receive a discount on their monthly broadband service bill.

Under the current program, there are stringent federal eligibility requirements that households have to meet to qualify for low income support. For instance, households would be eligible for Lifeline Assistance if he or she participate in one of the following programs: Federal Public House Assistance or Section 8; Supplemental Nutrition Assistance Program, formerly known as Food Stamps; Low Income Energy Assistance Program; Medicaid; National School Lunch Program; Supplemental Security Income; and Temporary Assistance for Needy Families. In addition, a household may be eligible if the household income is at or below 135% of the federal poverty guidelines.

“Moving forward, I believe it is critically important that we address affordability of internet access for all. My Broadband Affordability Act will truly help close the digital divide for millions of Americans. Now is the time to provide greater access to broadband services for all Americans, and this legislation directs broadband subscription discounts to the Americans who need it most.”

Key Provisions of Rep. Doris Matsui’s “Broadband Affordability Act of 2009”

- The bill directs the FCC to establish a broadband Lifeline Assistance program that provides low-income Americans living in rural and urban areas with assistance in subscribing to affordable broadband service.
- The proposal would also require the FCC, in calculating the amount of support, to routinely study the prevailing market price for service and the prevailing speed adopted by consumers of broadband service.
- The bill is technology neutral to promote competition from broadband service providers under the program.
- Directs the FCC to use the same eligibility criteria used under the Lifeline telephone service program for income eligible households to ensure internet service is available and affordable for eligible low-income households.
- To be eligible for the program, a household must meet federal low-income guidelines or qualify for one of a handful of social service programs, including food stamps, school lunch, or Medicaid.

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